

Frequently Asked Questions Elderly Homeowner/Renter Credit

Q: Do I qualify for this credit?

A: If you are age 62 or older, have resided in Montana for at least nine months during the year, occupied a Montana residence for at least six months during the year, and your gross household income is less than \$45,000, you may qualify for this credit.

Q: I answered "Yes" to all 4 questions. What do I do now?

A: Complete Form 2EC (free online filing is available for this form) and submit it with a copy of your property tax bill and/or signed rent receipts.

Q: My landlord doesn't give me a signed rent receipts. What do I do?

A: A statement detailing the rent paid during the year, signed by your landlord, is an acceptable substitute.

Q: I am not required to file a Montana income tax return. Can I still get this credit?

A: Yes. If you are not required to file a Montana income tax return, free electronic filing is available at revenue.mt.gov. If you file a paper Form 2EC, you will need to attach a copy of your property tax bill and/or your signed rent receipts with the Montana Department of Revenue at PO Box 6577, Helena, MT 59604-6577.

Q: I am over 62 but my spouse is not. Can we file for this credit?

A: Yes. If you are married, only one of you has to meet the age requirement.

Q: What is 'gross household income'?

A: This is all the income received, both taxable and nontaxable, by all individuals who live in your household including but not limited to wages, self-employment income, royalties, rental income, interest and dividends, inheritances, pensions, annuities, social security, railroad retirement, veteran's disability benefits, capital gains including the gain from the sale of your primary residence, alimony, public assistance, unemployment, income tax refunds, and prior year 2EC refunds.

Q: I haven't paid my property taxes in full. Do I only include the portion of taxes that has been paid?

A: No. Use the total amount that you were billed for your primary Montana residence.

Q: My property tax bill is on property that is held in a revocable trust. Can I qualify for this credit?

A: Yes. You can qualify if you are the grantor(s) and trustee(s) of the property.

Q: If I put my property into a living trust or life estate, can I qualify for this credit?

A: Yes.

Q: If I put my property into an irrevocable or family trust, can I qualify for this credit?

A: Yes, but the property tax that is billed qualifies as rent only.

Q: I pay a mortgage. Is this considered as 'rent'?

A: No.

Q: I own more than one property. Can I combine the total taxes for the credit?

A: No. You can only use the property tax bill that pertains to your primary Montana residence and up to one acre of land that is associated with this residence.

Q: What is the benefit from this credit?

A: The refundable credit can be up to \$1,000 based upon a comparison of your income level and property tax or rent equivalent amount.

Q: I live in a facility that I pay rent for my room and board and other charges. Do I use the full amount I pay as rent?

A: No. Only the amount of money that you paid to occupy your room is allowed. If the facility does not provide an adequate breakdown between “rent” and “amenities” (meals, housekeeping, nursing care, etc.), the rent allowed is limited to \$20 per day and cannot exceed \$7,300 per year.

Q: Can my spouse and I both file for the credit?

A: No. Only one claimant per household in a claim period is entitled to file for the credit.

Q: I live at home but my spouse lives in a health care facility and pays rent. Do we file individual forms because we do not live together?

A: No. Married taxpayers who are living apart are entitled to file and receive only one claim per year. You are allowed to take the rent at the facility or the rent/taxes billed for the other residence, but not both.

Q: I live in a health care facility that is paid by Medicaid assistance. Can I claim the credit and use the \$20 per day limitation for rent?

A: The credit may not be allowed for any portion of property taxes billed or rent paid that is derived from a public rent or tax subsidy program.